



State of Arizona

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Governor Jan Brewer: Multi-Agency Unit Busts Food Stamp Fraud

Governor's Anti-Fraud Unit Works to Halt Misuse of Federal Food Stamp Program

PHOENIX – Governor Jan Brewer today – in conjunction with state, local and federal officials – announced that a significant arrest has been made against an Arizona retailer suspected of defrauding the federal food stamp program.

The arrest is part of an ongoing investigation stemming from Governor Brewer's 2010 establishment of an anti-fraud Trafficking Detection Unit (TDU) within the Arizona Department of Economic Security. The unit targets individuals who qualify for the Supplemental Nutrition Assistance Program (SNAP), better known as food stamps, but use the benefits unlawfully.

"The Trafficking Detection Unit and today's arrest resulting from its work are aimed at the same goal: to protect the Arizona taxpayer and punish those who violate the public's trust with their fraudulent use of government programs," said Governor Brewer. "The success of this operation is a true testament to the good that can be accomplished when agencies work together. We will continue to pursue individuals who take advantage of the public's generosity and goodwill."

In an operation led by the DES Office of Special Investigations (OSI), Phoenix Police Department, U.S. Department of Agriculture – Office of Inspector General and Arizona Attorney General's Office, search warrants were served today and an arrest was made of Phoenix convenience store owner Joo Ho Yi. Yi, owner of the New Star Market, in Phoenix, is alleged to have committed 10 intentional violations of the SNAP (food stamps) program by illegally purchasing the benefits from EBT cards.

"Consistent with DES' *Fraud Management, Prevention and Detection Plan*, today's arrest is part of a series of aggressive actions aimed at detecting and preventing fraud in the public benefits system," said DES Director Clarence Carter. "We are proud to be a part of the cooperation and collaboration between the four federal, state and local officials."

Pursuant to the federal Food and Nutrition Service, SNAP recipients are permitted to exchange benefits only for eligible food items. By law, SNAP benefits cannot be exchanged or redeemed for cash. In a typical criminal transaction, the seller (benefit recipient) receives a portion of the value of the card in cash and the

buyer retains the benefits card. The buyer either then shops for food using the card or, in the case of a store-owner, removes the benefits from the card through sham transactions.

"The USDA-OIG has the responsibility for protecting the integrity of the Supplemental Nutrition Assistance Program," said Special Agent-in-Charge Lori Chan, USDA, OIG, Western Region. "Vendors who engage in SNAP fraud prey upon those who are truly in need and profit from the misfortune of others. OIG works to ensure SNAP funds are used for their intended purpose of feeding families, not for the enrichment of criminal enterprises. We would like to thank the Attorney General's Office, the Department of Economic Security, and the Phoenix Police Department for their assistance in this joint investigation and look forward to their continued support in combating SNAP fraud."

In this case, it is believed that \$544 in cash, five bags of marijuana and half an ounce of methamphetamine were provided to individuals in exchange for more than \$4,000 in SNAP benefits. Data from USDA indicates fraud against the SNAP program exceeded \$6,000 from this store location alone.

"The success of this investigation is a result of our established partnerships with Federal, State, and local law enforcement agencies," said Phoenix Police Chief Daniel V. Garcia. "We value these partnerships and take fraud of any kind very seriously. We believe this investigation will have a positive effect on the community we serve."

Yi was arrested and booked in Maricopa County Jail for Unlawful Use of Food Stamps, Sale of a Dangerous Drug and Sale of Marijuana.

This arrest is the latest in a series of arrests and prosecutions conducted by these four agencies dating back to July 2011. To date, 31 individuals have been charged with felonies as a result of these investigations, with 23 pleading guilty so far. The 23 convicted defendants have been ordered to pay restitution in the amount of \$241,193 to the SNAP program and \$6,850 in fines to the Attorney General's Anti-Racketeering Revolving Fund. The remaining eight defendants are in various stages of the litigation process. The Arizona Attorney General's Office is prosecuting the cases and will do so as investigations continue.

"I want to commend the agents of the Department of Economic Security and the U.S. Department of Agriculture, as well as the Phoenix Police and the agents of the Attorney General's Office who worked on this enforcement action," said Attorney General Tom Horne. "Alleged fraud of this kind is a serious matter, especially since taxpayer dollars are involved. My office will work very hard to ensure there is a vigorous prosecution in this case."

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